

THE GEORGE WASHINGTON UNIVERSITY

SCHOOL OF GOVERNMENT

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DEVELOPING THE NAVY CONTROLLER

For

NAVY GRADUATE CONTROLLING COURSE

Business Administration

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Chapter I

INTRODUCTION

The thought posed and enlarged upon in this paper would appear to be one of relative unimportance to the average naval officer, and probably to the average citizen, for that matter. To these people the word comptroller is one of many terms used in "governmentology" today. The concept of the comptrollership function, the objectives for which the office was established might, for the most part, be entirely foreign to naval officer personnel since a large number of officers have little or no informative knowledge of the duties normally associated with the comptrollership billet. To some, it merely represents a name and a place requiring another body; to others, it is associated with a "niggling busybody who should mind his own business"; to the average citizen it connotes accounting. Why this situation is in existence will be explored later in the paper, but it suffices to state now that there is a gross misunderstanding, "semantics-wise" and "function-wise", concerning the comptrollership function.

The course plotted, for clearing purposes of this paper, will begin with the era prior to 1943, and continue through to the present day.

Lieutenant General McLain, U. S. Army, stated: "The word 'c-o-m-p-t-r-o-l-l-e-r' is derived, of course, from the accounting function. But there is another spelling, 'c-o-n-t-r-o-l-l-e-r', which is often erroneously interpreted to mean 'he who controls'. Actually, this is an Army word harking back to a common peculation in the British Army about two or three hundred years ago. In those days colonels often enriched

themselves by carrying fictitious names or the names of dead men on their payrolls. As a means of foiling them, the War Office assigned another officer to maintain an up-to-date master payroll or "contra-roll" for checking against the colonels' pay claims. This cross-checking was called "contra-rolling".^{1/}

Frederick C. Mosher^{2/} distinguished "controller" from "comptroller" with the curt explanation that the two are synonymous, merely spelling variants, "controller" being used widely in business and "comptroller" used in the Department of the Defense.

Webster has this to say about the two terms: "Comptroller. Originally an erroneous spelling of controller. A controller." "Controller. An officer appointed to check expenditures. A governor, director or the like."

The Controller Institute's answer to the question of what controllership is, follows:

"WHAT IS CONTROLLERSHIP?"

"This concept of the function of controllership, as developed by Controllers Institute's Committee on Ethics and Eligibility Standards, and approved by the National Board of Directors on September 25, 1949, follows:

"1. To establish, coordinate and maintain, through authorized management, an integrated plan for the control of operations. Such a

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- 1 Lt. General Raymond McLain, Comptroller of the Army, in an address to newly assigned key personnel at the Pentagon Auditorium, Washington D. C., September 18, 1950
 - 2 F. C. Mosher, Program Budgeting: Theory and Practice (Public Administration Service, 1954)

plan would provide, to the extent required in the business, cost standards, expense budgets, sales forecasts, profit planning, and programs for capital investment and financing, together with the necessary procedures to effectuate the plan.

"2. To measure performance against approved operating plans and standards, and to report and interpret the results of operations to all levels of management. This function includes the design, installation and maintenance of accounting and cost systems and records, the determination of accounting policy and the compilation of statistical records as required.

"3. To measure and report on the validity of the objectives of the business and on the effectiveness of its policies, organization structure and procedures in attaining those objectives. This includes consulting with all segments of management responsible for policy or action concerning any phase of the operation of the business as it relates to the performance of this function.

"4. To report to government agencies, as required, and to supervise all matters relating to taxes.

"5. To interpret and report on the effect of external influences on the attainment of the objectives of the business. This function includes the continuous appraisal of economic and social forces and of governmental influences as they affect the operations of the business.

"6. To provide protection for the assets of the business. This function includes establishing and maintaining adequate internal control and auditing, and assuring proper insurance coverage."^{3/}

The first thing I noticed when I stepped out of the car was the
familiar smell of the city, a mix of old and new, of
history and progress. The air was thick with the scent of
coffee and the sound of the city's heartbeat. I had
heard so much about this place, but now it was all real.
The streets were wide and clean, lined with trees and
buildings that seemed to tell a story. I walked for
hours, taking in every detail, from the architecture to the
people. It was a place that felt like it had been waiting
for me. I had found a home.

The first night I stayed in the city, I was amazed at how
easy it was to find my way around. The streets were
well-lit and the people were friendly. I had heard that
this city was a bit of a mystery, but now I knew it was
just a beautiful place. I had found a home. I had found
a place where I could be myself. I had found a place
where I could belong.

The first day I worked in the city, I was amazed at how
easy it was to find my way around. The streets were
well-lit and the people were friendly. I had heard that
this city was a bit of a mystery, but now I knew it was
just a beautiful place. I had found a home. I had found
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Chapter II

SENATORIAL BACKGROUND

Public Law 216, 81st Congress, of August 1949 amended the National Security Act of 1947 and established in the Department of Defense and in each military department, a controller. This was accomplished in Sections 401 and 407 (a) and (b). The full title of the National Security Act Amendment of 1949 is "An Act to Reorganize Fiscal Management in the National Military Establishment to Promote Economy and Efficiency, and for Other Purposes". The National Security Act of 1947 established within the military establishment the position of Secretary of Defense and the Joint Chiefs of Staff, the Joint Staff, the Research and Development Board, and the Munitions Board for the purpose of providing policy guidance for the formulation of Department of Defense plans, programs, and estimates.

Public Law 162, 80th Congress, authorized the Hoover Commission to study organization, administration, and financial systems of the Executive Branch of the Federal Government for the purpose of increasing efficiency and recommending revisions to effect economy. Subsequent to the recommendations in Mr. Hoover's report Public Law 716 was enacted and approved.

However, prior to the passage of the National Security Act of 1947 and the enactment of Public Law 162 and Public Law 216, the government trend leaned heavily toward the budgetary phase of financial management. The Budget and Accounting Act of 1921 was brought about by a generalized call for more efficiency and economy in governmental operations. This

Act provided for an integrated budget to be assembled, so to speak, by the Director of the Bureau of the Budget. Up to this time all of the Departments and Agencies acted independently, with the Bureaus or Divisions within a Department often assuming independent roles in fiscal programming and estimating.

The Act required the President to prepare and transmit to the Congress an annual integrated budget of the United States. The Act also placed full responsibility on the President for preparation of the budget; established the Bureau of the Budget within the Treasury Department; stopped all federal agencies from going to the Congress unless requested; directed each department and agency to designate a budget officer; required the President to submit a plan for raising revenue; and established the General Accounting Office. It was not until the Reorganization Act of 1939 that the Bureau was transferred from the Treasury Department to the Executive Office.

One impression of the 1921 Act was: "The outstanding feature of the new law lay in the fact that it supplied the Chief Executive with services of a staff agency, the Bureau of the Budget, headed by an officer of his choice."^{4/}

So, we find that the idea of adequate financial management has been in evidence, idealistically if not materially, since early in the twentieth century. Emphasis on the controller side of the picture did not gain prominence until after the passage of the 1919 Amendments to the National Security Act.

4 F. M. Marx, "The Bureau of the Budget; Its Evolution and Present Role", The American Political Science Review, Vol. 39 (Aug. 1945) p. 656

The Amendments established uniform budgetary and fiscal procedures and organization. Section 401 of Title IV of the law established the position of Comptroller of the Department of Defense and specified that he would be one of the Assistant Secretaries of Defense. Section 402 (a) provided that the comptrollership functions as prescribed, be organized and conducted within each of the military departments in a manner consistent with the operations of the Office of the Controller of the Department of Defense. Section 402 (b) established comptrollers in the three military departments and prescribed functions for these comptrollers for their respective departments. In addition to the above, Title IV also provided for the use of performance budgets and working capital funds for industrial and commercial type activities and for financing inventories. The working capital funds have proved to be extremely beneficial and conducive to economical and efficient methods of financial management in the Navy.

Chapter III

DEPARTMENT BACKGROUND

In 1794 the appropriation for support of the Navy amounted to \$768,888.82. From 1794 to 1916 the Navy appropriations increased to 165 million dollars. The high for World War I was almost two billion dollars. During World War II the Navy appropriations reached an all-time high of 30 billion dollars. The demobilization era immediately after 1945 resulted in a gradual decrease of appropriations to just under five billion dollars in 1950. The Korean War shot the total up to about 15 billion dollars in 1953.

It is quite obvious from the appropriation structural growth and advancement that the problem of adequately, efficiently, and economically managing the financial operation of the Navy has undoubtedly reached complex proportions that would have seemed fantastic to the Navy's earlier leaders. The management structure or organization for such a monumental task had to be altered in step with the increased complexity. Hence, the Navy advanced progressively in financial management at the same pace as did other governmental agencies.

However, the rapid expansion brought about by World War II resulted in an almost continual organizational adjustment, the pre-war organization was just not "suited-up" for the shocking impact of World War II expansion.

The National Security Act of 1947 and the Amendments of 1949 greatly implemented the Department of Defense financial management picture by establishing a Department of Defense Comptroller, comptrollers for the

three military departments, and the implementation of a performance budget (this was to be activated by 1952).

The establishment of the comptrollership function in the Navy opened what has since been termed an "era of financial management" in addition to creating a requirement for qualified and competent officers and civilians in the comptrollership field.

Chapter IV

DEMAND FOR TRAINED CONTROLLER

The Hon. John F. Floborg, then Assistant Secretary of the Navy for Air, in a letter to Mr. L. Baruch, Chief, Personnel Classification Division, U. S. Civil Service Commission, dated 10 December 1951, stated:

"Quite obviously the law (Public Law 216) has established only the basic framework within which people may operate to accomplish the objectives sought. Therefore, of equal if not greater importance than the provisions of the law to the accomplishment of the objectives sought, is the degree of competence of the people who will serve to implement the provision of the law. Owing to the very substantial sums appropriated to the Navy for national defense, substantial economies and major improvements in efficiency are potentially possible but only with a high degree of competence in the personnel engaged in all areas of the controllership function. The question arises, therefore, as to how the Navy can attract and retain individuals of high competence in this area. In many of our large industrial and commercial corporations, as well as in some of our small corporations, salaries paid to such individuals are far beyond the salaries which can be paid by the Navy under the Classification Act, yet the complexities of controllership functions in the Navy are far greater than our large corporations because of the greater magnitude of Navy financial operations; because of being subject to innumerable complex federal laws, regulations, and procedures; and because of the diverse nature of naval activities."

Mr. John J. Corson has this to say about the need for executives

in the Federal government: "The demand for executives is great. The supply of competent executives is small. There are few individuals with the capacity to plan and manage large affairs, with a keen understanding of the importance of initiative in a free-enterprise economy and of how such economy may be nurtured, with the temperament suitable for service within the government, and with a desire to recognize and serve the public interest."^{5/}

Although Mr. Corson is referring to the civilian side of the governmental picture, the military departments were, and for that matter still are, faced with the dilemma of a shortage of trained officer personnel to assume the newly instituted billets of controllers. All of the services began this new era of financial responsibility after the 1949 Amendments to the National Security Act of 1947 on equal footing and it would appear to the average layman that they would logically attack the problem collectively. But due to the honest and well founded differences, such as history, tradition, type of operation, missions, and just plain imbedded thoughts of courses of action, they approached the situation somewhat unilaterally. On one basic point, and possibly the most important, in which the three services are in complete agreement, is the educational approach for the development of trained officer personnel in controllership.

The Navy Department currently believes that the establishment of controllers to perform the controllership functions is a major step towards improved financial management as well as a direct service to com-

5 John J. Corson, Executives for the Federal Service. (New York: Columbia University Press, 1952) p. 16-17

mand authority.^{6/}

The present method utilized by the Navy in filling comptroller billets consists of placing a qualified officer trained in the comptrollership concept if possible, if not, then the assignment of a qualified officer with a generalized background who has the ability to grasp the overall picture as well as is humanly possible.

6 SecNav Instruction 5400.4, dated 18 November 1953.

Chapter V

EDUCATIONAL REQUIREMENTS

It might be time well spent to investigate the functions of a Department of Defense controller prior to the delving into of educational requisites. Secretary of Defense Marshall enumerated them as follows:

"In order that budget and fiscal administration authorized by Title IV may be implemented uniformly and in a manner consistent with Comptroller activities of the Secretary of Defense and the Departmental Undersecretaries or Assistant Secretaries responsible for fiscal management in the military Departments, subject to the authority of their respective Secretaries, will exercise general supervision over all functions performed by the Comptrollers of their respective Departments, including the following:

- Implementation of legislative requirements concerning performance budgeting, working capital funds, and management funds;

- Preparation of budget estimates;

- Budget administration, including apportionments, allocations and allotments, all within priorities established by the Secretary;

- Appropriation and fund accounting;

- Disbursing and receiving cash;

- Administration of advances and other credits relative to procurement contracts, but the power of decision on advances and other credits and the terms thereof may be reserved to the Under-Secretary or Assistant Secretary responsible for procurement;

- Cost accounting;

Accounting for all property, whether of an operating or capital nature, both in terms of physical quantities and in dollars. (This is to be distinguished from responsibilities of other designated agencies for policies relative to material control, including stock levels, procurement requirements and distribution);

Auditing, including auditing of procurement contracts and advice to procurement authorities on accounting aspects of procurement pricing policies and procedures;

Financial reporting;

Statistical and progress reporting, including analysis and interpretation of reports;

Formulation and promulgation of policies and procedures applicable to controller functions and organization.^{7/}

The functions of controllership as interpreted by the Department of the Navy are:

(1) Integrated system for financial management. This will provide commanding officers with factual data essential for effective management control of operations.

(2) Budgeting. This provides guidance for preparation, review and justification of the budget and everything related to the budgeting process.

(3) Accounting and disbursing. Provides accounting and disbursement procedures.

(4) Program analysis. This provides analysis and comparison of

7 Secretary of Defense Memorandum to Secretary of the Army, Secretary of the Navy, Secretary of the Air Force. Dated 27 September 1950.

performance, program status and trends, against approved programs and budget plans and schedules, and reports the results to the command function.

(5) Progress reports and statistics. This provides statistical information for the use of management or command.

Controllorship in the Navy is a staff function and, with the exception of the profit motive, is a hand-in-hand counterpart of the business or industrial office. In business, the company controller is completely encircled by the profit motive and bases all of his analyses, reports and performance deputations on this all-important business factor.

Contrariwise, it would be most difficult to introduce a profit element in the Department of the Navy, since the services produced by the Navy are not of the dollar profit variety, nor are they sold. The motivating factors in evidence to produce economy and efficiency in managing the financial phase of the United States Navy are two-fold. First, the legislative influence which was mentioned in Chapter II. This, of course, is an impressive motivating factor, for it poses a strong regulatory incentive to perform adequately and efficiently. Secondly, and professionally the most important, is the forceful factor of motivation to do the job the very best way possible with the amount of dollars available; to accomplish the mission of the Navy in the best possible manner, efficiently and economically, with the best utilization of the number of dollars available for the consumation of that mission; or, to put it another way, every dollar professionally well spent.

This concept of effective professional utilization of every obli-

gated and expended dollar is certainly not new in the Navy Department, for it has always been an area in which the Navy has maintained a continual vigilance and pride in getting the most out of everything available.

It is the opinion of this writer that the Navy would have assumed the current era of financial management without the assistance of the Congressional enactments. A dollar-conscious Department of the Navy has most assuredly always been very much in evidence, with great emphasis being continually placed on the cost-conscious element in all phases of naval operations, both in the Shore Establishment (Naval Stations, Naval Air Stations, Training Bases, Shipyards, Districts, Bureaus, etc.) and at sea and foreign duty (overseas bases, Shipyards, Fleets, Task forces, Wings, Divisions, Squadrons, etc.) stations.

The internal pride to strive for continual improvement and betterment of material, tools, repairs, ways and methods of doing daily, frequent and not so frequent tasks, or to state it more generally, of all operations, is strongly evident in both officer and enlisted personnel alike. This spirit of a searching curiosity for a better and more efficient method of accomplishing a mission, no matter how small or large, from the inserting of a bolt and lock nut in an aircraft wireframe to the complex overall guidance and operation of a Fleet, from a seaman apprentice to the Chief of Naval Operations, is continually in the forefront and is traditionally included in a Naval person's viewpoint and outlook on life. To lose it one would become dormant, retardant and could be likened unto a piece of driftwood, merely drifting aimlessly in circles, no definite goal in sight, no strivation for betterment,

gradually becoming more and more bogged down and water logged, and finally being beached and inactive. The Navy is not to be likened to driftwood, for it is a forward-looking organization, always pushing ahead for better, more improved ways of accomplishing its mission.

The Navy spirit of forging ahead to better methods can be closely related to the scholarly term applied to a student who is intensely interested in finding the reason why such an author likes a certain theory, or why he goes to the dictionary to learn the meaning of a strange word while reading. "Intellectual curiosity" is the scholar's term for this spirit of improved knowledge. The terminology for the Navy counterpart is open for suggestion but it is certainly synonymous, in thought and action.

What educational qualifications must a military controller possess? Must he be an expert accountant, capable of passing the examination for Certified Public Accountant? Must he be an expert at human relations, possessing the ability to always solve all relations problems with the wisdom of Job? Must he be a production manager, an extremely capable executive, a forecaster, a salesman, a statistician?

Yes, a Navy controller must be all of these things plus a little bit more. Admittedly, it is not an essential criterion to have the accounting ability and know-how of a Certified Public Accountant, but accountant knowledge is important. Further, it is not a prime requisite that he, (or she), be an expert at solving human relation problems, but an understanding of human nature and relations is considered important. Likewise, the controller need not be a production manager or a statistician, but he (or she) must be aware of production problems and

...the first thing I did was to go to the bank and see
how much money I had. I was surprised to find that I
had more than I thought I had. I was also surprised to find
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methods, and must have a knowledge of dependable statistics.

The Navy has attacked the problem of educational requirements for Navy controllers by inaugurating a formal education program for officers of the rank of Lieutenant Commander and above. The class for the course at the present time is composed of twenty-three (23) Naval Members and five (5) Marines. It has been preceded by four classes, one each per year. The course is of one academic year's duration with a short summer session, and leads to a Master's Degree in Business Administration upon satisfactory completion. Subjects covered in a thorough manner during the year are:

Accounting

General Accounting

Managerial Accounting

Cost Accounting

Internal Control and Auditing

Human Relations in Business

Readings and Conferences in Controllership

Governmental Budgeting

Formulation

Execution

Industrial and Governmental Economics

Business Organization and Management

Statistics with Application to Controllership

Research Seminar in Controllership

Management Engineering

As can be readily seen, all of the courses are aimed at a manage-

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ment approach to the controllership problem. In Accounting, the main idea is the acquisition of enough accounting to provide an adequate background for necessary management reports to assist in efficient operations. The statistics course is aimed at the over-all picture of purpose, need and utilization of statistical information. Human Relations in Business is studied by means of the case method. A situation is presented to the class for discussion and possible solution. Governmental Budgeting is self explanatory and quite obviously of high importance in a curriculum such as this. Economics is aimed at a better understanding of government finance and the impact or effect governmental (or more specifically, military) spending has on the national economy. Business Organization and Management is concerned with the organization and management of American business. The Seminars, Reading and Conferences on Controllership are keyed to the increased knowledge of the controllership function in business and government with the readings being supplemented by lectures from controllers from business and government. Management Engineering is directed to organization and methods-type surveys including the study of work measurement, work simplification, management audits, and other management improvement programs.

This program to provide officers qualified in the field of controllership is designed to assist the officers in adequately fulfilling the billets. The program alone can not make the officer a controller, it can merely lead him (or her) in the right direction, provide the necessary tool of knowledge and information and hope that the individual fully utilizes what is available in order to perform the various functions performed by a controller. One authority lists these functions

as follows:

"ACCOUNTING.

Functions relating to the recording and protection, from a book standpoint, of the corporate assets; the recording of transactions as a basis for determining the corporate income, expense, earnings, income and excise taxes, surplus, and financial position; and cost accounting, methods and systems, budgets, and the design, installation, and custody of books, records and forms.

MANAGERIAL.

Functions relating to the preparation, analysis, and explanation of financial, accounting, cost, and statistical results, as an aid to management in the direction of the business; for obtaining credit or financial assistance; for reports to stockholders; or for other purposes of internal or external use.

AUDITING.

Functions relating to the establishment of internal auditing controls; the objective verification of business, financial, and accounting transactions; and the coordination of accounts and internal auditing procedures with the requirements of independent auditors.

TAX.

Functions relating to the assembling of information, and the preparation of returns for income and excise taxes, claims, and refunds; the discharge of income and excise tax liabilities; and the relationships with tax agents and auditors.

FORECASTING.

Functions relating to the forecast of profits and income taxes as at future dates, as a basis for cash, operating control, capital expenditure, advertising, or other budgets; the retirement of debt; the improvement of financial condition; the expansion or contraction of the business or facilities; or for other purposes of management control.

ECONOMIC.

Functions relating to the development and maintenance of economic and statistical information, and the analysis or forecasting of volume, costs, profits, taxes, and financial position, in relation to past, present, or future operations."⁸/

These functions, although aimed specifically at business, can be applied equally as well to the military with a few corrections. The section on taxes has, obviously enough, little bearing on the duties of a military comptroller, for he (or she) is not involved in computing taxes on sale of goods produced, or on profits derived from the sale. All references to profits and income may be stricken from Mr. Voorhies' functions and might well be replaced by the terms "mission" or "objective" or "performance" as appropriate.

The Controllors Institute of America lists seventeen (17) duties of a Controller:

"DUTIES OF A CONTROLLER"

AS DEFINED BY THE CONTROLLERS INSTITUTE OF AMERICA

8 D. H. Voorhies, The Treasurer and the Controller, or Corporate Treasurer's and Controller's Handbook. Edited by Lillian Voris. (New York: Prentice-Hall, Inc., 1950) p. 27

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1. The installation and supervision of all accounting records of the corporation.
2. The preparation and interpretation of the financial statements and reports of the corporation.
3. The continuous audit of all accounts and records of the corporation wherever located.
4. The compilation of production costs.
5. The compilation of costs of distribution.
6. The taking and costing of all physical inventories.
7. The preparation and filing of tax returns and the supervision of all matters relating to taxes.
8. The preparation and interpretation of all statistical records and reports of the corporation.
9. The preparation, as budget director, in conjunction with other officers and department heads, of an annual budget covering all activities of the corporation, for submission to the Board of Directors prior to the beginning of the fiscal year. The authority of the controller, with respect to the veto of commitments or expenditures not authorized by the budget, shall, from time to time, be fixed by the Board of Directors.
10. The ascertainment currently that the properties of the corporation are properly and adequately insured.
11. The initiation, preparation and issuance of standard practices relating to all accounting matters and procedures and the coordination of systems throughout the corporation, including clerical and office methods, records, reports and procedures.

12. The maintenance of adequate records of authorized appropriations and the determination that all sums expended pursuant thereto are properly accounted for.
13. The ascertainment currently that financial transactions covered by minutes of the Board of Directors and/or the Executive Committee are properly executed and recorded.
14. The maintenance of adequate records of all contracts and leases.
15. The approval for payment (and/or countersigning) of all checks, promissory notes and other negotiable instruments of the corporation which have been signed by the Treasurer or such other officers as shall have been authorized by the by-laws of the corporation or from time to time designated by the Board of Directors.
16. The examination of all warrants for the withdrawal of securities from the vaults of the corporation and the determination that such withdrawals are made in conformity with the by-laws and/or regulations established from time to time by the Board of Directors.
17. The preparation or approval of the regulations or standard practices required to assure compliance with orders or regulations issued by duly constituted governmental agencies."⁹/

These may also be applied to the basic or primary functions of a military comptroller with the aforementioned additions and corrections. However, it can be seen rather clearly at this point that the Navy Comptroller must possess some specialized knowledge in the field of financial management that is not generally available to the average Naval officer.

9 David R. Anderson, Practical Controllershship. (Chicago: Richard D. Irwin, Inc., 1949) p. 3

Chapter VI

PROFESSIONAL AND PERSONAL REQUIREMENTS

"The imperative need of business today in the field of controllership is for strong, competent, broad-gauge men."^{10/} Management must recognize why such men are needed and also learn how to select, train, and develop them.

Having examined the educational requirements of a Navy controller it is well to cast a glance in the direction of professional requirements considered necessary for the fulfillment of a controllership billet. These qualifications are somewhat general and very closely parallel the skills deemed essential for a business controller. The Navy controller acts in a staff capacity and is responsible to the commander under which he serves. He acts as technical advisor on financial aspects of all operations that reflect past management decisions or present problems. He must anticipate future program requirements with the perspective of achieving program objectives with economy and efficiency. He recommends to the commander and to management but he does not make management decisions. He should be looked upon as a continuing source of ideas and advice on managerial problems.

The Navy controller should have had broad experience with operating problems and programs and general management responsibilities; he should have keen analytical ability and be able to express himself adequately and completely either orally or in writing.

¹⁰ Bradshaw and Hull, Controllership in Modern Management. (Chicago: Richard D. Irwin, Inc., 1950) p. 115

He must have knowledge of the operations in which he is carrying on a controllership function, such as an aviation controller at aviation units, an engineer in Bureau of Ships, a supply officer at supply bases, etc. He must possess specific knowledge of naval operations, including management, plus the ability required of every officer in the Navy to conduct his mission in an efficient, adequate and economical manner. Thus, he must be a "specialized officer with generalized abilities."

Chapter VII

GENERAL QUALIFICATIONS

In the preceding chapters it has been determined that certain educational and professional prerequisites are essential to becoming a Navy Comptroller. But can an officer become a comptroller merely by submitting to a formal education and by being well outfitted with a thorough professional background? Are these tools enough equipment to enable the full, complete, and efficient accomplishment of the comptrollership mission to which the officer may be assigned? Obviously the answer to both of these questions is NO. There are far too many additional facets to be considered and far too many pitfalls awaiting the officer who is in possession of only the educational and professional skills for the performance of the comptrollership function.

Another skill of equal magnitude and importance that must be appended to the comptroller qualifications is termed SOCIAL SKILL. This category can probably be explained quite simply in this manner -- a Navy Comptroller must have a general SENSE OF AWARENESS. What is the meaning of this phrase? Webster defines SENSE as "faculty of intellectual and aesthetic understanding and appreciation; to grasp, comprehend, understand." AWARENESS is to be "apprised, informed, cognizant, conscious, possessing knowledge." Now if we tie the two together we can arrive at a reasonable definition, something as follows: an awareness of surroundings, people, things, emotions, troubles -- past, present and future.

How can a Navy Comptroller acquire social skills? The easiest

method is to have a good sense of awareness. Also to be a reasonable, rational individual with a goodly portion of good old-fashioned common sense. However, in order to break it down a bit further the following are considered primary personality traits necessary to acquire the social skills:

- "1. An orderly mind which seeks causes and can find a pattern of meaning in a mass of facts.
2. Perspective to distinguish the important from the unimportant; to view the operation of each department in relation to the whole business, and the operation of the business in relation to industry and the economy.
3. An objective mind which can evaluate the various conflicting forces within a business.
4. Patience to build a foundation of fact and figures for each problem: patience to persuade and indoctrinate rather than to order.
5. A personality which inspires confidence in people; one which enjoys meeting and working with people.
6. A high degree of salesmanship to sell the tools of control to operating departments."¹¹/

A Navy comptroller must be capable of all these things. An orderly mind is of prime importance in order to keep moving forward. Any planning for future operations must be based on performance of current and past operations. Without the ability to arrange these plans in an

11 Bradshaw, Developing Men For Comptrollership. (Cambridge: Harvard University, 1950.) p. 18

orderly manner, as well as a systematic and orderly arrangement of other matters a comptroller would be surrounded by a maze of ulcerous complexity. Perspective to distinguish the small from the big, the loud from the quiet, the important from the unimportant is most certainly self-evident. A comptroller ~~says~~ this quality is doomed for "confusion corner". To be objective is of equal importance and is a trait that is oft-times difficult to maintain. Personalities should not enter the picture from any angle, for to be effective the comptroller must deal with facts and conditions -- not with personalities. Patience is indeed a quality of high priority, for the comptroller must be tactful and cooperative to the greatest extent. If one approach fails to receive the acceptance desired or anticipated, then another approach is in order, and if it is not successful, still another approach should be employed. To inspire confidence is a trait all Naval officers should have acquired in their earlier years, for to establish loyalty up and down, one must inspire respect and confidence up and down. Salesmanship is a trait that is of extreme importance to the Navy comptroller, for he must sell himself and his function to the unbelievers, the uninterested and the resisters. Resistance to change is a common condition that exists in any organization, be it at home, in business, industry or in the government. It is a normal stubborn trait in most individuals to resist any sort of change whatsoever. The comptrollership function is new to naval personnel and is, and will continue to be for some few years, met with resistance. The comptroller's job is to promote good public relations internally for his office, function and mission. He must do a good job of selling himself and the

idea or concept of controllership.

In addition to the above-mentioned traits, the Navy comptroller must have the quality of good judgment and the ability to use it in a manner acceptable to his command. He must also be firm, and at times conclusive, in his convictions, but always careful not to become demanding or overbearing. He must also remember that he represents a service for the improvement and betterment of the Navy in the accomplishment of its overall mission. He is a staff function for the aid of the commander.

Chapter VIII

CONCLUSION

In concluding the foregoing remarks concerning the Navy controller, it might be well to employ a controller's function and ask the question, "Where are we going?"

We, quite definitely, are going forward at a pace commensurate with this new era of financial management. The continuation of this pace is dependent upon the individuals who fill the important controllership billets within the huge organization of the Navy. The viewpoint of the Navy is that the naval officer ordered to a controllership billet must not be a specialist — he must be an officer eligible to assume command at sea when senior enough to do so, and must be as equally adjusted to directing, as well as staffing, the command function. He must be able to move from an operational billet at sea to a controllership billet ashore with the ease and simplicity of other rotational sequences.

The question posed at this time is, "Is this premise a correct one?" This writer is certainly not qualified to attempt an answer to such a ponderous query, but feels that the considerations prevalent when the original decision was made, should again be examined. The Navy is no longer the small organization that existed prior to World War II. It is now big business and its problems and programs have increased tremendously in complexity. The personnel situation as well as material, real estate, ship, and planes have reached a number size somewhat astounding. In order to maintain the present efficiency and economical practices, as well as forging ahead to betterment and improvement, is

it possible that the concept of a generalized line officer should be re-examined in certain critical areas of responsibility? Should there be officers specialized in personnel problems, or more to the point, should there be officers specialized in the controllership function? The solution is left to the reader.

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